

VIA: **COURIER**
(SPECIFY AIR OR SEA POUCH)

Lincoln
DISPATCH NO. **HGG-A-1132**

~~SECRET~~ PBSUCCESS RYBAT
CLASSIFICATION

TO : **LINCOLN**

DATE: **MAY 25 1954**

FROM : **Chief of Station, Guatemala**

INFO: **Chief, WHD**

SUBJECT: GENERAL— **Arms and Ammunition**

SPECIFIC— **Information Concerning Alfhem and Cargo**

1. Attached for receiving stations is a copy of a dispatch prepared by the [] who recently visited Puerto Barrios to obtain information concerning subject. Also attached (for Lincoln only) are 4 photographs furnished by him.
2. Four additional photographs, furnished by the Office of the Air Attaché, Guatemala City, are also being forwarded for Lincoln.

[*Ch* ra M. Heagey]

Enclosures:

Dispatch and photos (8 for Lincoln)

25 May 1954

CMH/cmh

Distribution:

2-Linc w/9 att
2-Wash w/att
1-Files w/att

**CIA HISTORICAL REVIEW PROGRAM
RELEASE AS SANITIZED**

2003

3 JUN 1954

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Office of the Naval Attache
United States Embassy

Guatemala City, Guatemala
20 May 1954

TO: Director of Naval Intelligence
Navy Department
Washington 25, D. C.

SUBJECT: S.S. ALFHEM (Swedish), Arrival and Activities in
Puerto Barrios

REFERENCE A: CNO Despatch forwarded by State Department Telegram
Number Unknown

ENCLOSURES: (1) Memorandum from LComdr J. M. Tully, Jr., same
subject

(2) Data sheet with Photos #1 to #6

1. NARRATIVE: In response to the directive contained in Reference A, ALUSNA immediately proceeded Puerto Barrios, arriving via Attache aircraft at 171730 local. My arrival was a complete surprise to local Army personnel at the field, as well as to the Port authorities. After checking in at the United Fruit Company guest quarters, we hurried to the dock area. Uniform was worn at all times.

2. Our purpose was to find American UFCO personnel who could advise the ALFHEM's location. We were not stopped or questioned by authorities at the pier head. Finally, aboard the CARIB (Swedish registry) we located an American directing the loading of the CARIB. He informed me that the ALFHEM was present in the outboard berth on the other side of the dock; she was heavily guarded on all sides and it was impossible to approach the discharge area. He then suggested that we find Mr. Gerchow, a senior UFCO employee, for additional information. In our search for Mr. Gerchow, we stopped by the Captain's cabin and were invited in for a drink. There present were a Mr. Stahle, UFCO employee, his wife and a Captain Olsen. The latter I soon learned was first mate aboard the ALFHEM. I sat close to Captain Olsen and attempted to engage him in conversation but, despite the fact that he had been drinking heavily, he was extraordinarily close-mouthed. The important part of this conversation will be summarized below. At about 2000, the Captain of the CARIB suggested a sandwich. While eating, a Customs guard arrived and stated that the Port Captain would like to see Lt. Commander Tully and myself as soon as convenient. Prior to eating, Captain Olsen had indicated that he would talk no more about the ALFHEM and was heard to say by Mr. Stahle, in Swedish,

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"I have talked too much already." We arrived at the Port Captain's office at 9:30. He greeted us pleasantly and stated that he was the senior officer present in the area and implied he should have been called on earlier. He then asked the purpose of the visit. I informed him that I was returning from a routine visit to Central America and had stopped at Puerto Barrios as I had not previously visited the Port and I also wanted to do some fishing. We then chatted for a while and returned to our quarters.

3. Tuesday morning Mr. Gerchow called and asked if we would like to join him at breakfast on a Fruit Company ship then alongside. We felt this was the next approach to Captain Olsen, who could be invited aboard (the commander was a Naval Reserve captain), and perhaps we could get more out of him. However, we were denied access to the pier from this time until our departure on Wednesday. Later in the morning we boarded a boat with fishing gear and cruised around the harbor, but could observe nothing of interest from the outboard side.

4. By this time, it was apparent that we were under constant surveillance, both day and night. Tuesday night, men who were obviously watchers were noticed outside the guest house. Tuesday afternoon I met Mr. Stahle at his home. (Mr. Stahle, though a Swedish citizen, has been a UFCO employee for a number of years and has furnished the bulk of the information about the ALFHEM to the Embassy. He had been aboard the ALFHEM twice and made friends with the second engineer. He mentioned some details of the cargo, such as appearance, weight, etc., which information has been included in the Embassy telegrams to State and will not be repeated here. I feel he is a dependable source who should not be overlooked in future cases of this type.) I told Mr. Stahle frankly that we wanted a manifest of the ALFHEM's cargo and were prepared to pay for it. He replied that he was convinced that if there was a manifest available, the Captain (named Lind) was the only one who had access to it, and that it would be most difficult, if not impossible, to obtain. According to Captain Olsen, the manifest he saw gave the cargo as nuts, bolts, glass, clothing and chemical glass. Mr. Stahle stated that if he again had the opportunity to contact Captain Olsen, he would bring the matter up discreetly, but it was his frank opinion that Captain Olsen had not and would not have access to the real manifest. Mr. Stahle then frankly stated to me that he questioned the wisdom of our future contacts. Inasmuch as I was being watched, the finger of suspicion would point to him and he would be denied access to his previous sources. He did, however, promise that he would pass any other information of interest to the Embassy through appropriate secure channels.

5. By this time I was convinced that our usefulness at Puerto Barrios was at an end. We were being constantly watched and any contacts I might make, therefore, were subject to compromise. I feel

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certain that the officers of the ALFHEM and perhaps the crew are being shadowed during shore leave, that is if they are being permitted shore leave.

6. To my mind, one of the most important points is the fact that the second engineer stated to Mr. Stahle that two more ships were to follow. These ships are of Finnish registry, the name of one he told Mr. Stahle, who could only remember that it began with a "T", with the second letter probably being an "E". The engineer also stated that he saw one of these ships outside Puerto Barrios (exact position not given) the night before the ALFHEM entered. This ship had left Stettin three weeks before the ALFHEM. The other vessel was to follow, but how quickly he did not know.

7. SUMMARY:

a. The ALFHEM is discharging arms and ammunition at Puerto Barrios, types and classifications unknown at this time.

b. Security arrangements in connection with this cargo are unprecedented in Guatemala.

c. The ALFHEM departed Stettin, declaring for Dakar. Two days out of Dakar her orders were changed to Curacao, Dutch West Indies. Two days out of Curacao her orders were changed to Puerto Cortes, Honduras. Two days from Puerto Cortes she was re-routed to Puerto Barrios (this information from Captain Olsen).

d. A real cargo manifest of the ALFHEM will be almost impossible to obtain.

e. In my and Mr. Stahle's opinion, the second engineer may be a valuable contact for the future. The engineer told Mr. Stahle that he had been a prisoner in a Polish concentration camp and, further, that his whole face had had to be repaired by plastic surgery after the brutal treatment he had received. Mr. Stahle did not give me his name, but I am sure he can obtain it.

f. Two other ships of Finnish registry are due in Puerto Barrios with similar cargo. Mr. Stahle will try to obtain the name of the ship beginning with "T" and forward it to the Embassy.

8. COMMENT AND OPINION:

a. Every effort should be made to locate the other two ships, one of which is presumably in the Caribbean area at this time.

c. In my opinion, a real manifest does not exist on the ALFHEM, and probably none exists for the following two vessels. The

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only real manifest is probably in the hands of the Guatemalan Government, forwarded by diplomatic pouch.

c. This incident is closely related to events in Central America, including the attempt on Somoza's life, the strikes on the north coast of Honduras and the nervousness in El Salvador over the possibility of sympathy strikes. The UFCO in Guatemala is also expecting a strike. The pattern is there. The arms in question and future deliveries are, in my opinion, not all designated for Guatemala.

d. The value of using military personnel is questionable in a case of this kind. Ambassador Puerifoy had kept his military aides out of the picture. When we arrived in Puerto Barrios the Guatemalans' surprise was evident, and it took them some time to react. During that time we were at least able to get on the docks. It is unfortunate that the accidental meeting with Captain Olsen was not more productive.

CC: U.S. Embassy, Guatemala
U.S. Naval Attache,
Mexico City, D. F.

W. KIRTEN, JR.
Captain, USN
Naval Attache

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